

Kentucky's Independent Colleges and Universities

The Association of Independent
Kentucky Colleges and Universities

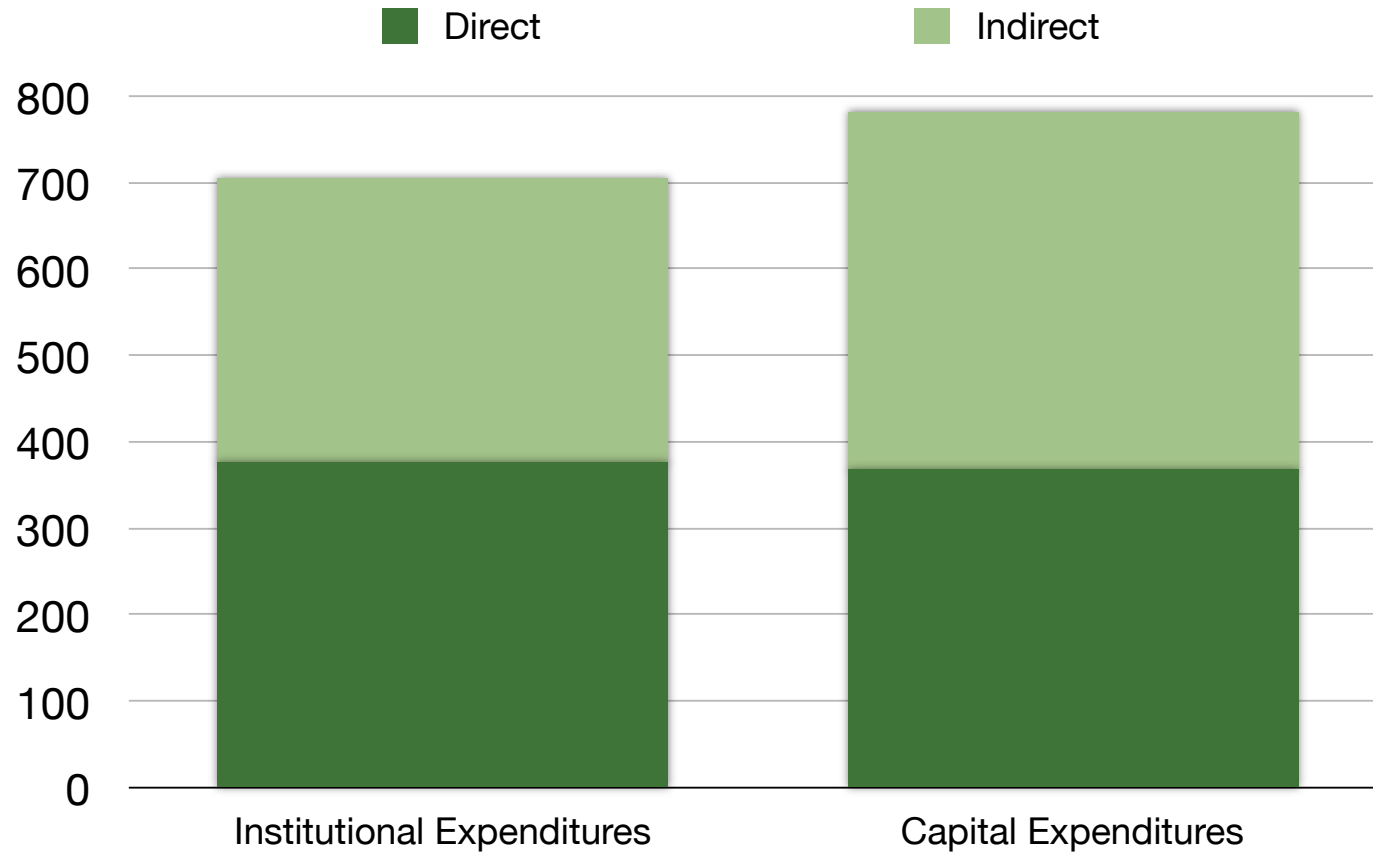


Association of Independent
Kentucky Colleges & Universities

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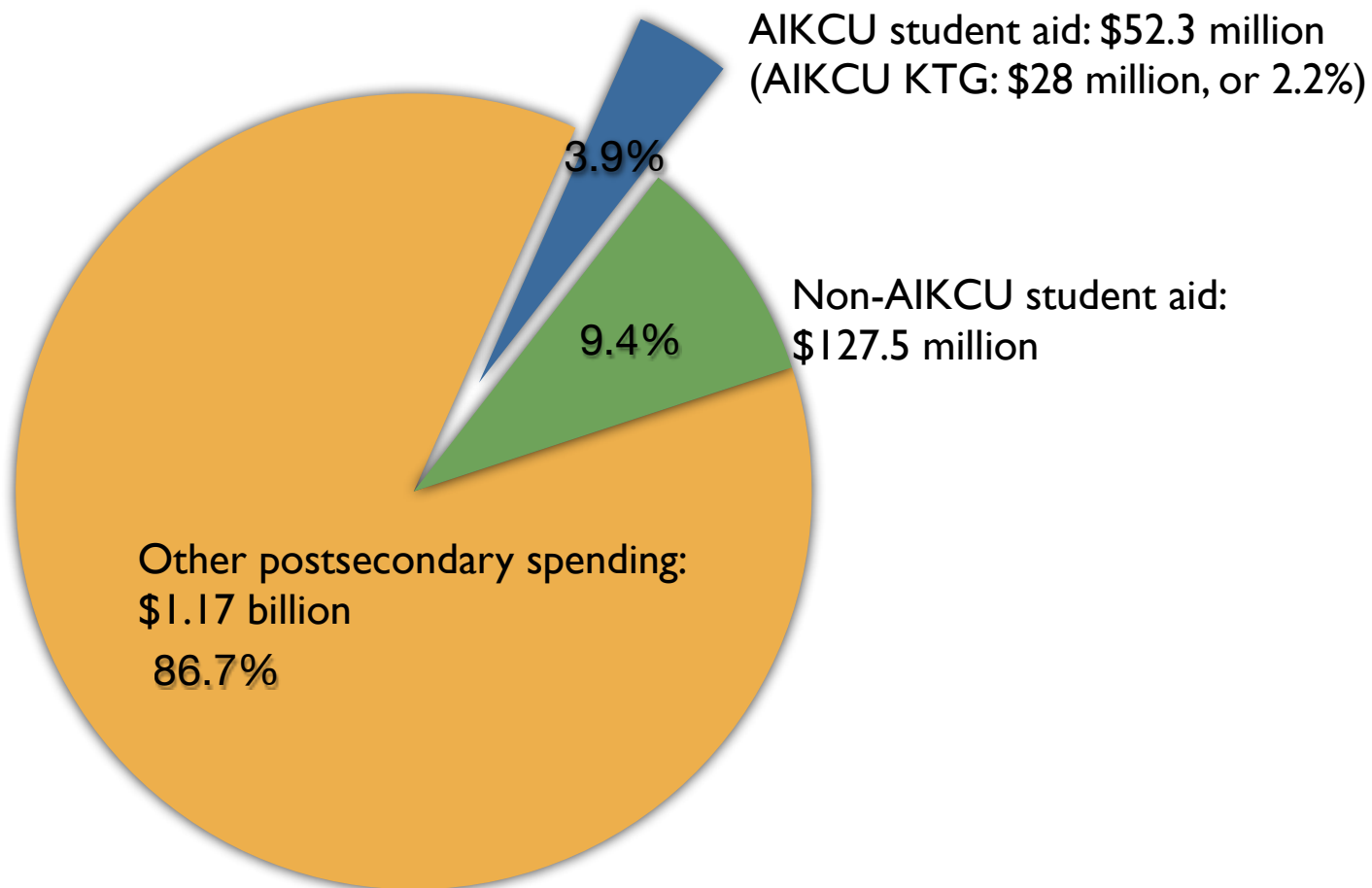
Annual Economic Impact of Kentucky's Independent Colleges and Universities = more than \$1.48 billion

Total economic impact (in millions), by spending category



Source: *Private Colleges, Public Benefits: The Economic and Community Impact of Kentucky's Independent Colleges and Universities on the Commonwealth of Kentucky*. Human Capital Research Corporation, 2006. <http://www.aikcu.org/wp-content/uploads/2007/08/Private%20Colleges,%20Public%20Benefits%20-%20AIKCU%2011-1-06.pdf>

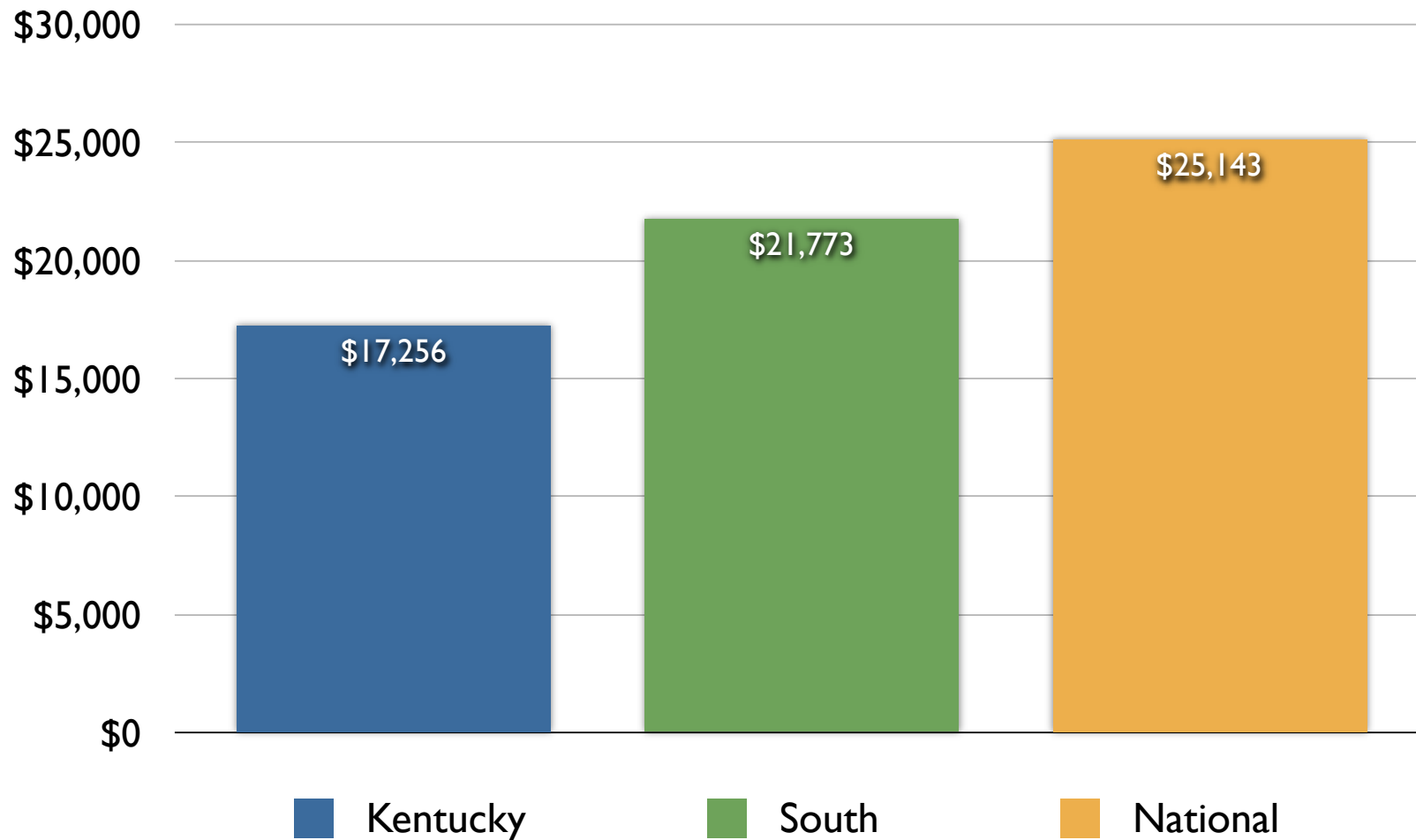
Kentucky's investment in AIKCU students is less than 4% of total state postsecondary spending



Sources: 2007-08 postsecondary budget data - CPE
2007-08 KY Student aid lottery funded program (CAP, KTG, KEES) data - KHEAA

Average 2008-09 Independent College Published Tuition and Fees

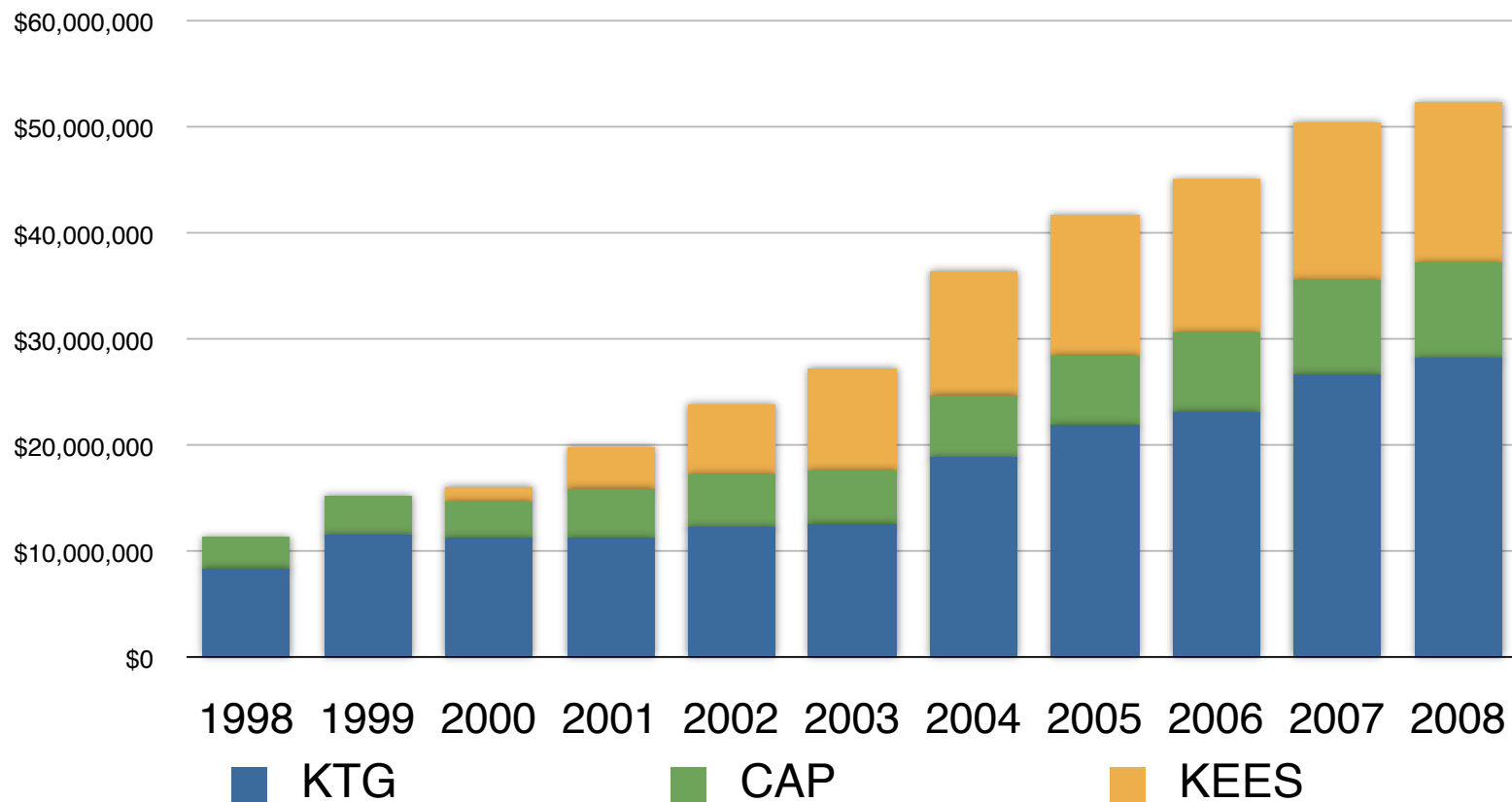
(Note: very few students at independent colleges actually pay this “sticker price” after financial aid is factored in.)



Source: AIKCU 2008 Tuition Survey; College Board's *Trends In College Pricing 2008*

State financial aid to independent college students, 1998-2008

State financial aid to AIKCU students through Kentucky's "big three" aid programs (CAP, KTG, and KEES) totaled \$52.3 million in 2007-08, up from \$11.9 million in 1997-98.

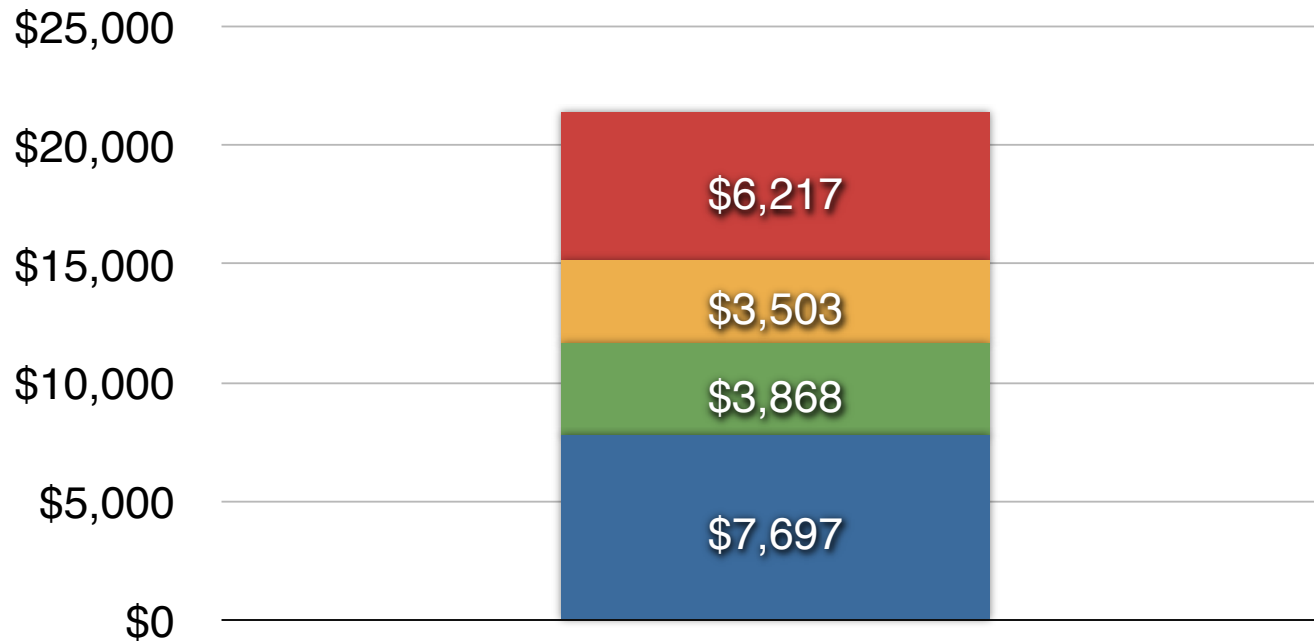


Source: KHEAA

Average Kentucky independent college costs and financial aid awards by source, 2006-07

AIKCU Average total 2006-07 costs = \$21,285

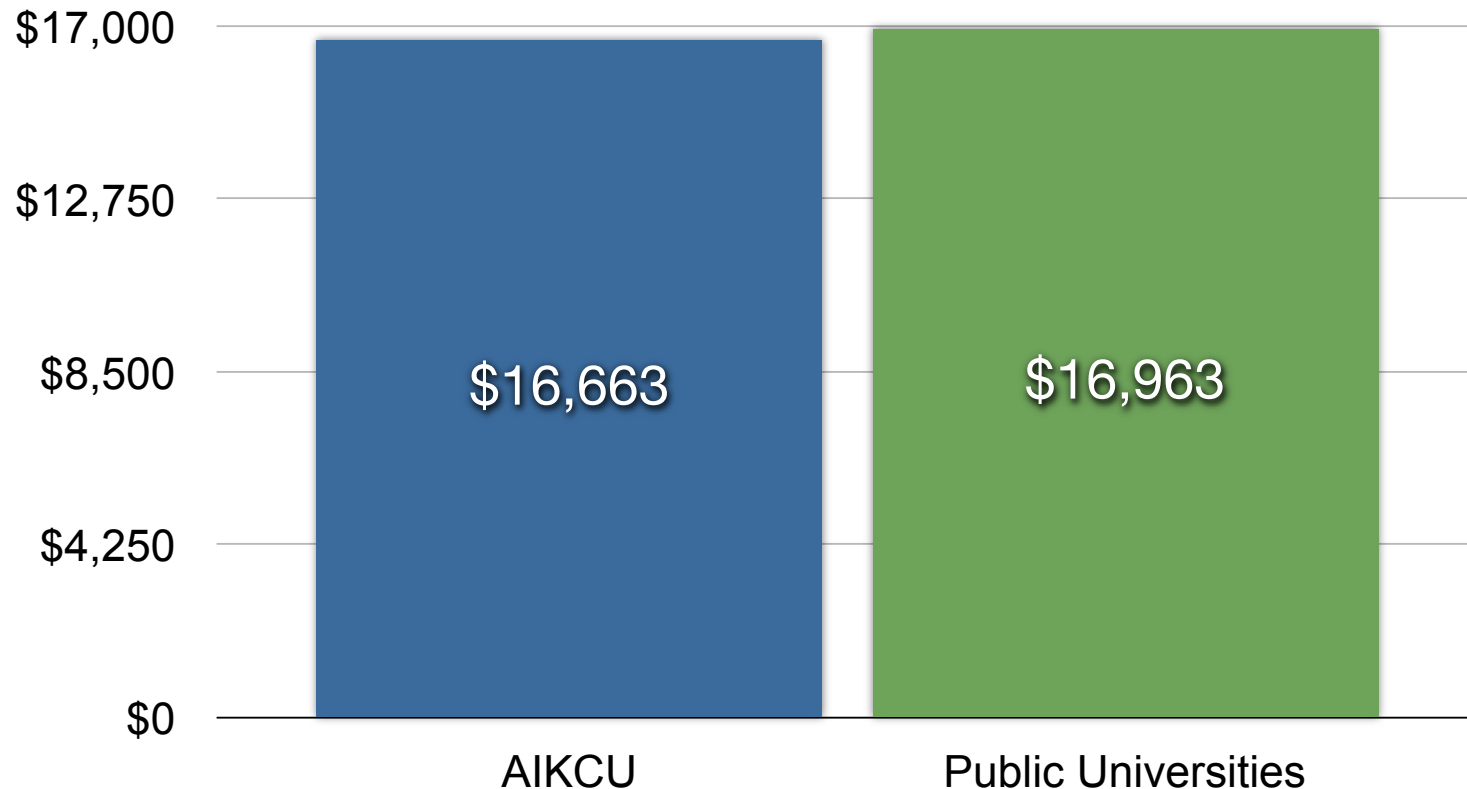
(Average tuition = \$15,245; Estimated average room/board = \$6,040)



■ Avg. Institutional aid ■ Avg. State aid ■ Avg. Federal aid ■ Avg. Student share

Sources: Aid Data: Integrated Postsecondary Education Data System (IPEDS), 2006-07. First-time, full-time student cohort; Tuition: AIKCU 2006-07 Tuition/Fees Survey; Room/board: IPEDS, 7 campuses reporting an average of \$6040.

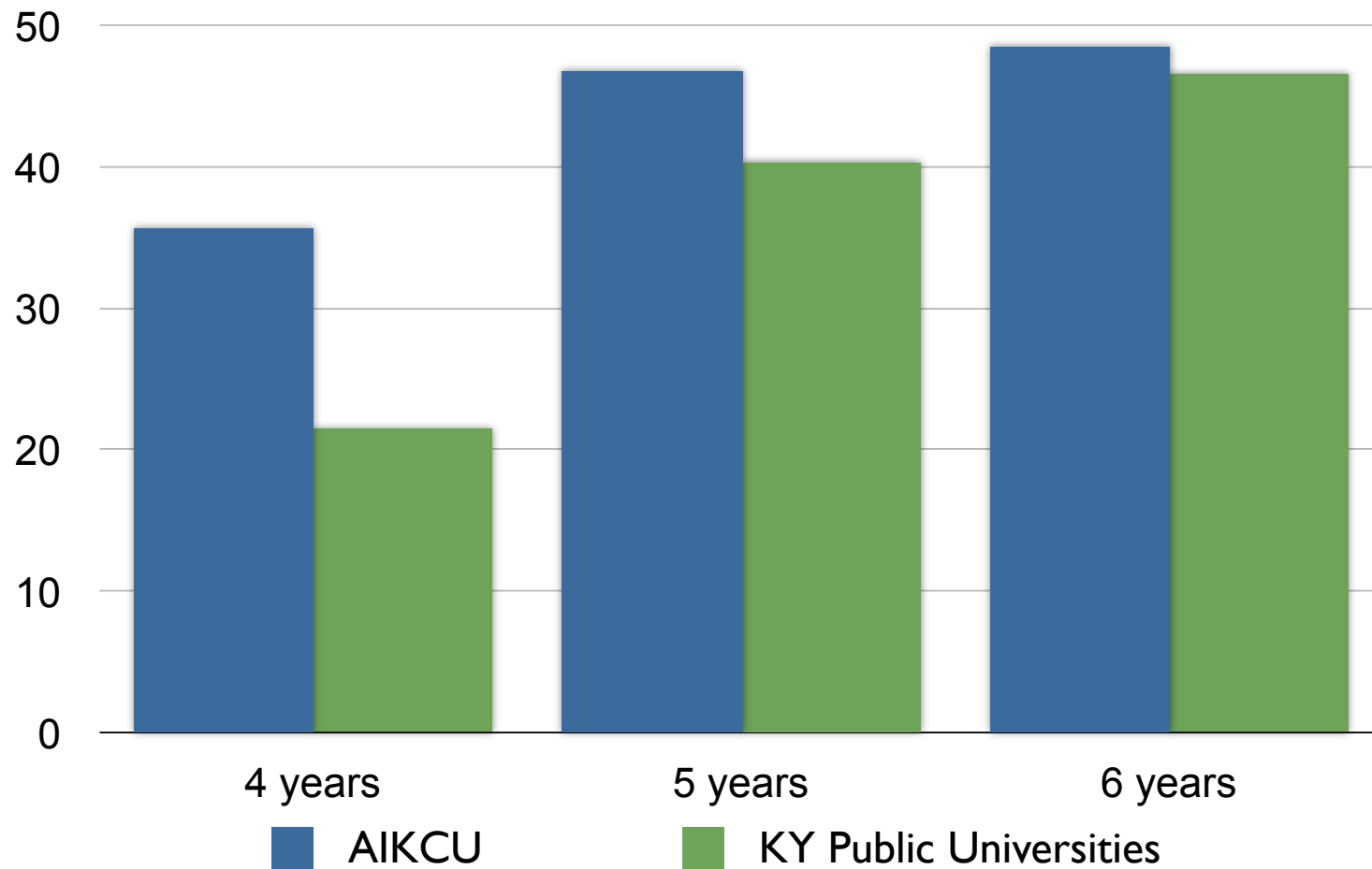
Average Debt of Graduates, 2007



Source: ProjectOnStudentDebt.org. Debt data as reported by campuses to *Peterson's Undergraduate Financial Aid and Undergraduate Databases*. 17 of 20 AIKCU campuses and 7 of 8 Kentucky public university campuses reporting data.

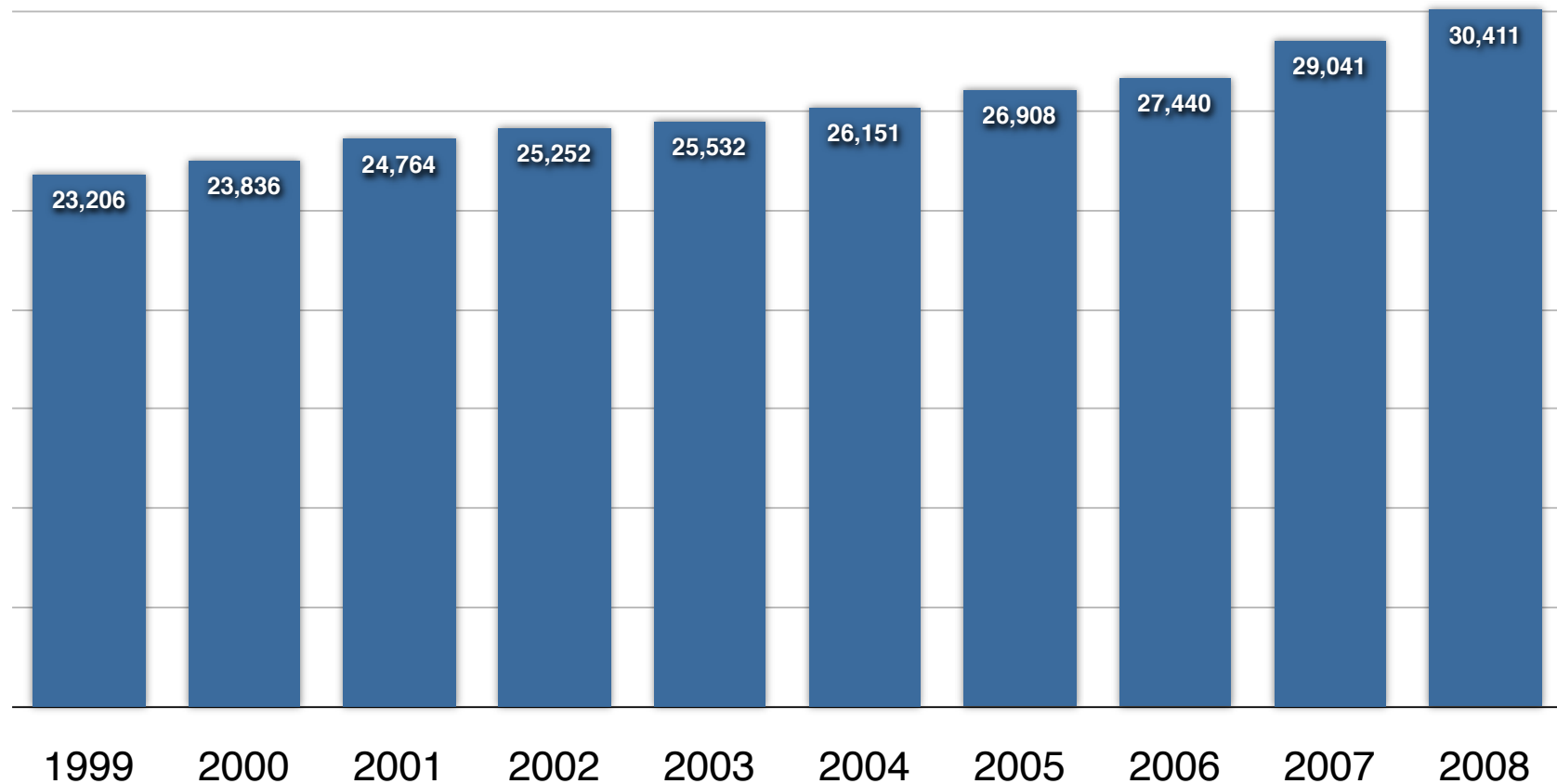
Independent colleges promote timely graduation

Percent of first-time, full-time students who graduate in...



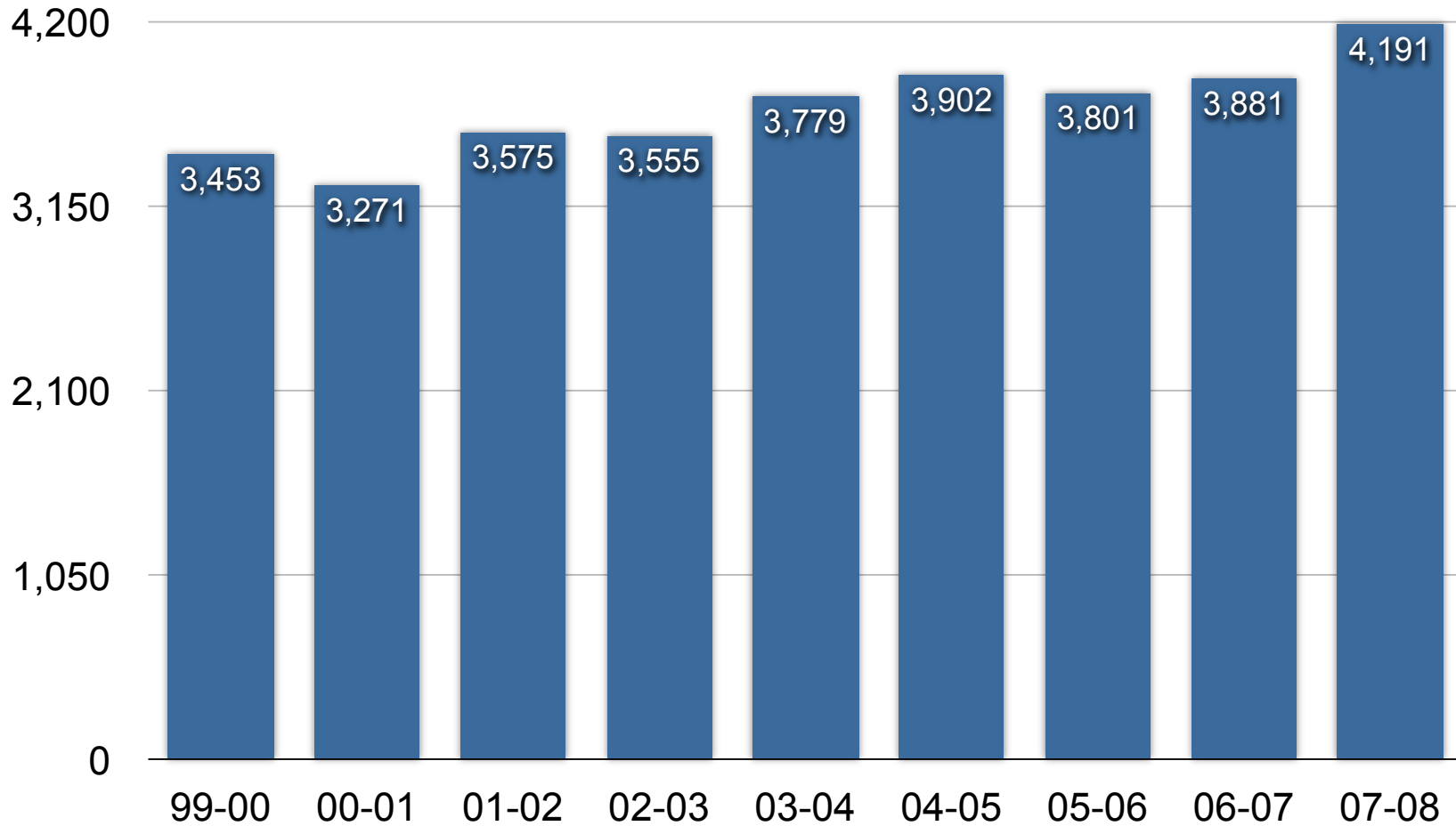
Source: IPEDS, Fall 2000 GRS Revised Cohort of first-time, full-time bachelor's degree seeking students

AIKCU Total Headcount Fall Enrollment, 1999-2008



Source: CPE Comprehensive Database

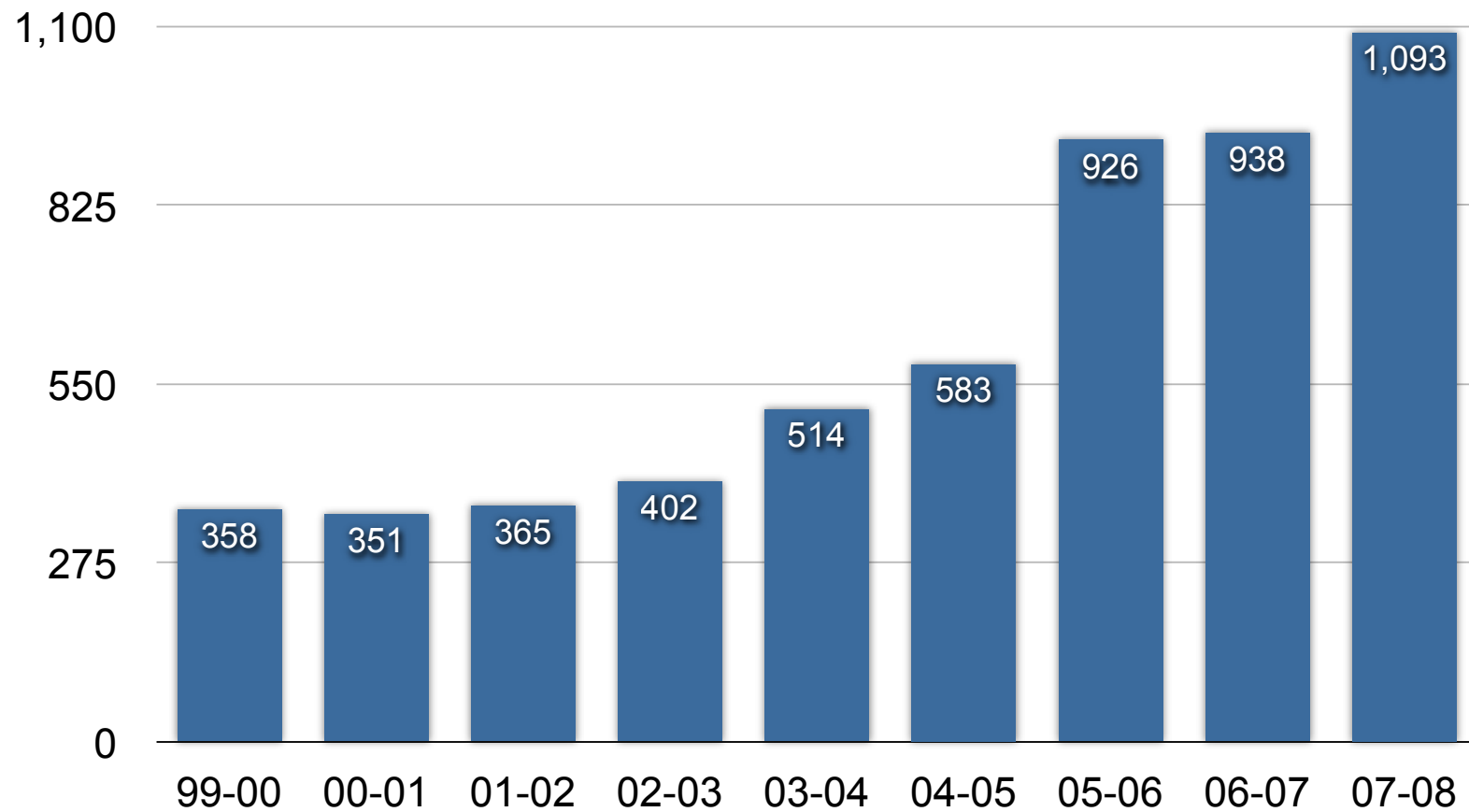
AIKCU Bachelor's Degrees, 2000-2008



AIKCU enrolls about 19% of KY's bachelor's degree seeking students and produces 22% of bachelor's degrees.

Source: CPE Comprehensive Database

Growth in transfer from KCTCS to AIKCU



Source: CPE Comprehensive Database

How are AIKCU members
changing to deal with
current economic realities?

ASSOCIATION OF INDEPENDENT KENTUCKY COLLEGES AND UNIVERSITIES
REPRESENTATIVE COST SAVINGS ACTIVITIES
September, 2009

MANAGING PERSONNEL COSTS

- Staff right sizing
- Faculty hiring deferrals
- Non-Faculty staff hiring postponements
- Salary Freezes
- Reduced paid faculty overloads
- Reduce utilization of adjunct faculty
- Placed full time faculty members in overload (without additional compensation) to cut adjunct salary expense
- Employee Furloughs and Voluntary Salary Cuts
- Reduce Fringe Benefits
- Manage Effective Development and Marketing Strategies

SHORT & LONG RANGE PLANNING

- Reduced capital spending
- Regular financial updates and suggestion sessions across campus with students, with faculty, with staff
- Proven and effective review of college costs (insurance, etc.)
- Added winter term to library (increased revenue)
- Working smart by making more phone calls and less travel
- Mountain Outreach – Plans to build only 2 homes next summer.
- For Church Relations/Alumni/Media Relations/Student Services – No unbudgeted expenditures
- Reducing and/or controlling expenditures in Business Services such as: purchased 4 busses instead of 8 as originally budgeted
- Refunded bonds saving about \$700K in total over next 10 years.
- Reworked physical plant staffing schedules by staggering shifts (reduced overtime saving approximately \$100K per year)
- Signed contract with eCampus.com to sell textbooks, spirit items on-line
- Analysis of the Spirit Shop to increase sales, improve quality, launch internet sales
- Change accounting system to improve communication and efficiency
- Planning for summer housing for next summer
- Working with agencies to do international recruiting therefore cutting out some international travel.
- New endowment spending formula provides a more stable return to keep tuition increases minimized

- Combine 2 full-time office positions into one (Business Office and Registrar)
- Reduced faculty professional development funding and professional memberships
- Suspend TIAA CREF match
- Departmental operating budget reductions
- Renegotiated physical plant contract
- Installed water saving devices in residence halls
- Promoted more efficient utilization of utilities (lights, equipment, etc.)
- Reduced A/C and heating levels in buildings
- Strategically utilized technology tools and programs to reduce postage costs
- Re-negotiated contracts to effect savings in telecom services and hardware maintenance
- Reduced printing costs by limited publications and/or size of pieces
- Initiated student printing controls with charges for excessive pages printed on college systems
- Networking printers in offices.
- Careful monitoring of accounts receivables
- Renegotiated student athletic insurance contract
- Delayed upgrading academic instructional technology and health sciences
- Reduced credit card usage and carriers – only business office, President and Advancement
- Changed purchasing procedures – Call to review each check request and P.O./Purchase Order to purchase less than \$500
- Dining hall redesign from eating trays (water)

- Utilizing student labor as much as possible; this helps the students and helps to control costs.
- Work study done at the same place as presidential work.
- Maximized utilization of additional federal and state student scholarship funds (Yellow Ribbon, etc.)
- Awarded over \$10 million in scholarships for 2008-09 academic year, and over \$11,500,000 for 2009-10
- Working with students to apply for loans
- Maximize Student Financial Aid Opportunities.
- Consolidating scholarship offerings to award only academic and athletic scholarship except for students in our service area who may be eligible for an additional scholarship based on need
- Semester of free tuition for unemployed workers
- Gold incentive program for returning students, early registration and filing FAFSA
- Yellow Ribbon program for veterans
- Multicultural Scholarship \$1,500 a semester for full time students

- Allowed our discount rate to rise slightly.
- Waived admissions fees for adult programs.
- Tuition rates for summer classes reduced by 50 percent
- Waived tuition for seats in classes that had not been filled for those recently unemployed
- Placement helped students in partners with “Let’s Go 2 Work.” The program provided 16-24 year olds, several in college family, with six-week summer jobs at local businesses and organizations using American Recovery and Reinvestment Act funds to pay their salaries
- Lowest Tuition increase in 20 years

ACADEMIC CREDIBILITY

- Maintain goal of low student/faculty ratio
- Concentrating on student retention and graduate recruiting.
- Tuition/room/board rates were frozen at 2008-2009 levels.
- Three-hour courses offered free to unemployed adult learners.
- Offering job fair and student placement services regularly in community

We asked, and the list is long

Questioning and evaluating everything...

- Operations
- Personnel and staffing
- Administrative costs
- Tuition and aid policies
- Strategic plans

*You can count on me wearing you
out with ideas and questions - some
of them tough ones - about how we
conduct our business.*

Centre College President John Roush
in a recent address to faculty and staff

...except fundamental
commitments to

- supporting students
- academic integrity
- individual missions

AIKCU: Building strength through collaboration

- Business partnerships for cost containment and increased efficiencies: office supplies, insurance, information technology, fuel, many more
- Resource and information sharing
- Low cost professional development
- Relationships with public institutions (KCTCS transfer, KYVL, MoSU-EKU-AIKCU project, etc.)

Issues and opportunities:

How can CPE work with AIKCU to maximize state resources, maintain quality and diversity, and further the Public Agenda?

- Support student financial aid
- Ensure quality
- Recognize and value contributions of independent sector
- Encourage innovative collaborations

Questions?

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